

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION**

In re:)	
)	Chapter 11 (Joint Administration)
SD-Charlotte, LLC, <i>et al.</i> , ¹)	
)	Case No. 20-30149
Debtors.)	
)	
)	

NOTICE OF AUCTION AND SALE HEARING

PLEASE TAKE NOTICE THAT:

1. On May 4, 2020, the above-captioned debtors and debtors-in-possession (the “Debtors”) filed a motion (the “Motion”)² [Docket No. 330] for Orders (I)(A) Approving Bidding Procedures and Auction and (B) Scheduling Sale Hearing and Approving Notice Thereof; (II) Authorizing the Sale of Substantially All of the Debtors’ Assets Related to Their MOD Pizza Restaurants Free and Clear of All Liens, Claims, Encumbrances, and Other Interests; (III) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (IV) Granting Related Relief.

2. The Debtors are seeking to sell the MOD Assets to the Successful Bidder(s) or Back-Up Bidder(s). Approval of the sale of the MOD Assets to either the Successful Bidder(s) or Back-Up Bidder(s) may result in, among other things, the assumption, assignment and/or transfer by the Debtors of certain executory contracts and unexpired leases. If you are a party to an executory contract or lease with one or more of the Debtors, you will receive a separate notice that contains relevant dates and other information that may impact you as a party to any such executory contract or lease.

3. On May 29, 2020, the United States Bankruptcy Court for the Western District of North Carolina entered the Bidding Procedures Order [Docket No. 380]. Pursuant to the Bidding Procedures Order, if the Debtors receive more than one Qualified Bid (as defined in the Bidding Procedures), an auction for any or all of the MOD Assets shall take place on **July 10, 2020, at 10:00 a.m. (EDT)**, at the offices of Moore & Van Allen, PLLC, 100 North Tryon, Suite 4700, Charlotte, NC 28202, or at such other place and time as the Debtors shall notify all Qualified Bidders and other invitees and creditors.

¹ The Debtors, together with the last four digits of each Debtor’s federal tax identification number, are: SD-Charlotte, LLC (7237); RTHT Investments, LLC (2540); SD Restaurant Group, LLC (0331); SD-Missouri, LLC (8294) and Southern Deli Holdings, LLC (9425).

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

Only parties that have submitted a Qualified Bid in accordance with the Bidding Procedures, attached to the Bidding Procedures Order as Exhibit 1, by no later than **July 7, 2020 at 4:00 p.m. (EDT)** (the “Bid Deadline”), may participate at the Auction. If, however, one or no Qualified Bids are received by the Bid Deadline, then the Auction will not be held. Any party that wishes to take part in this process and submit a bid for the MOD Assets must submit its bid prior to the Bid Deadline and in accordance with the Bidding Procedures. Notwithstanding the foregoing, the Auction shall be conducted openly, and all creditors, their counsel and any necessary advisors shall be permitted to attend the Auction so long as they provide counsel for the Debtors no less than two (2) business days’ written notice of their intent to attend the Auction so that the Debtors can make appropriate arrangements.

4. The Sale Hearing to consider approval of the sale of the MOD Assets to the Successful Bidder(s) or Back-Up Bidder(s) free and clear of all liens, claims and encumbrances (the “Sale”) will be held before the Honorable Laura T. Beyer in the United States Bankruptcy Court for the Western District of North Carolina, 401 West Trade Street Charlotte, NC 28202 on **July 13, 2020, at 9:30 a.m. (EDT)**, Courtroom 1-5, or at such other time thereafter as counsel may be heard. The Sale Hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court on the date scheduled for the Sale Hearing.

5. Objections, if any, to the Sale, adequate assurance of future performance by the Sonic Stalking Horse Bidder, or the relief requested in the Motion (other than with respect to (i) cure amounts (which are subject to a separate notice)); or (ii) the conduct of the Auction or adequate assurance of future performance (which are subject to paragraph 6 below)) must: (i) be in writing; (ii) comply with the Bankruptcy Rules and the Local Rules; (iii) be filed with the clerk of the Bankruptcy Court for the Western District of North Carolina, 401 West Trade Street, Room 111, Charlotte, NC 28202, on or before the later of (x) **July 8, 2020 at 4:00 p.m. (EDT)** and (y) seven days prior to the Sale Hearing (the “Sale Objection Deadline”), or such later date and time as the Debtors may agree; and be served so as to be received no later than 4:00 p.m. (EDT) on the same day, upon: (i) counsel for the Debtors, Moore & Van Allen, PLLC, 100 North Tryon Street, Suite 4700, Charlotte, NC 28202 (Attn: Zachary H. Smith, Esq.); (ii) counsel for the Prepetition Secured Lender, Lazer, Aptheker, Rosella & Yedid PC, Melville Law Center, 225 Old Country Road, Melville, NY 11747 (Attn: Jennifer L. Silvestro) and Grier Wright Martinez, PA, 521 E. Morehead Street, Suite 440, Charlotte, NC 28202 (Attn: A. Cotten Wright); and (iii) counsel for the Unsecured Creditors Committee, Pachulski Stang Ziehl & Jones LLP, 919 N. Market Street, 17th Floor, Wilmington, DE 19801 (Attn: Brad Sandler and Shirley Cho), bsandler@pszjlaw.com, and scho@pszjlaw.com.

6. Objections, if any, to the conduct of the Auction, or adequate assurance of future performance by the Successful Bidder may be raised at the Sale Hearing.

7. UNLESS AN OBJECTION IS TIMELY SERVED AND FILED IN ACCORDANCE WITH THIS NOTICE, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT AND THE BANKRUPTCY COURT MAY GRANT THE

RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER HEARING AND NOTICE.

8. This Notice and the Sale Hearing is subject to the complete terms and conditions of the Motion, the Bidding Procedures Order, and the Bidding Procedures, which shall control in the event of any conflict and the Debtors encourage parties-in-interest to review such documents in their entirety. Parties interested in receiving more information regarding the sale of the MOD Assets or in obtaining a copy of any related document, subject to any necessary confidentiality agreement, may make a written request to counsel for the Debtors, Moore & Van Allen, PLLC, 100 North Tryon Street, Suite 4700, Charlotte, NC 28202 (Attn: Zachary Smith, zacharysmith@mvalaw.com).

Dated: June 3, 2020

MOORE & VAN ALLEN PLLC

/s/ Hillary B. Crabtree

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